



**ADDENDUM TO PERFORMANCE AGREEMENT**

**BETWEEN**

**THE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA**

**AND**

**THE MINISTER OF PUBLIC ENTERPRISES**

**PERIOD OF AGREEMENT**

**JUNE 2019 TO APRIL 2024**



**CONSTITUTION AND LEGISLATION**

***The Constitution of the Republic of South Africa, 1996***, stipulates in section 91 (2) that the President appoints the Deputy President and Ministers, assigns their powers and functions, and may dismiss them.

***The Constitution of the Republic of South Africa, 1996***, stipulates in section 92 (1) that the Deputy President and Ministers are responsible for the powers and functions of the executive assigned to them by the President.

***Executive Members' Ethics Act (No. 82 of 1998)*** state that members of the Cabinet must act according to a code of ethics, created by the President pursuant to the principles and framework established by the Executive Members' Ethics Act of 1998.

***The principles of natural justice applies.***

**MINISTERIAL KEY RESPONSIBILITY AREAS**

The constitutional imperatives and obligations contained in Chapter 5 of the Constitutions including but not limited to sections 92, 93, 96, 97, 98, 99, are applicable.

The contents of this agreement set out the powers and functions assigned to you by the President in accordance with Section 91(2).



**KEY RESPONSIBILITY AREA 1: POLITICAL LEADERSHIP CONTRIBUTING TO THE COUNTRY'S TRIPLE CHALLENGES, NDP PRIORITIES AND MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) 2019 – 2024**

As Minister in the Cabinet you will contribute **individually and collectively** to addressing the triple challenges of poverty, inequality and unemployment and the MTSF 2019 - 2024.

**Priority 2: Economic transformation and job creation**

**Target: Unemployment reduced to 20-24% with 2 million new jobs especially for youth; economic growth of 2-3% and growth in levels of investment to 23% of GDP**

Outcome	INDUSTRIALISATION, LOCALISATION AND EXPORTS			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Create a conducive environment that enables national priority sectors to support industrialisation and localisation, leading to increased exports, employment, and youth- and women-owned SMME participation	Masterplans developed	Automotive and CTLF Masterplans	All Masterplans developed by end of 2021	Ensure that the relevant SOE contributes to the success of the implementation of the masterplans  Stabilise and ensure SOE's return to profitability to support economic growth.
	National priority sectors grow contribution to GDP growth of 3% and exports increase by 4%	New indicator	Exports for national priority sectors increased by 4%	
	Complete the revitalisation of industrialisation parks	15	All industrial parks revitalised	



**Target: To reach 23% of GDP by 2024 with the public sector contributing 8% of GDP and the private sector contributing 15% of GDP**

Outcome	Supply of energy secured			
Interventions	Indicators	Baseline	Targets	Minister's Responsibility
Improve energy availability factor to ensure constant supply of electricity.	Increased energy availability factor	73.74 %	Increase energy availability factor to above 80% by 2024.	Stabilise governance and sort out operational and maintenance inefficiencies at Eskom
Increase reserve margin to counter load shedding	Increased electricity reserve margin	4.3 %	Increase electricity reserve margin to 15% by 2024.	Increase reserve margin to international standards
Explore embedded generation options to augment Eskom capacity	Additional 1000 megawatts by 2024 commissioned (200 MW by 2021)	New indicator	Explore small scale embedded generation (SSEG) options to augment generation capacity of Eskom by 1000 MW by 2024.	Explore options and implement generation augmentation processes as per the DOE processes and approvals
Separation and unbundling of Eskom to eliminate cross-subsidisation and improve efficiency.	Independent generation and transmission company under Eskom Holdings established by 2020  Implement ESKOM Roadmap for a reformed electricity supply industry	New indicator	Separate Transmission company established by 2020.  Implementation of the Eskom Roadmap commitments by 2024	Ensure implementation of the Eskom roadmap



Outcome	INCREASED ECONOMIC PARTICIPATION, OWNERSHIP, ACCESS TO RESOURCES, OPPORTUNITIES AND WAGE EQUALITY FOR WOMEN, YOUTH AND PERSONS WITH DISABILITIES			
Interventions	Indicators	Baseline	Targets	Minister's responsibility
Implement comprehensive rail modernisation and upgrade programme	Rolling stock expansion and upgrade	Transnet Freight modernisation	Roll out new rolling stock to various priority corridors	Implement comprehensive rail modernisation and upgrade programme as a shareholder to Transnet,
Reduce costs for priority sectors by increasing the efficiency of ports	Corporatisation of Transnet National Ports Authority	New indicator	Transnet National Ports Authority Corporatisation completed by 2020	Ensure efficiency and effectiveness of Ports



**SIGNATURES**

I P. J. Gordhan hereby declare that the information provided in this performance agreement has been agreed upon by myself and the President of South Africa. This is a legal and binding performance agreement that will **be used for assessment purposes.**



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Hon. Mr Jamnadas Pravin Gordhan, MP

Minister of Public Enterprise.

05- 11- 2020

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His Excellency Mr MC Ramaphosa

President of the Republic of South Africa

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